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Senate

The Senate met at 10 a.m. and was called to order by the Honorable JAMES WEBB, a Senator from the State of Virginia.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, on yesterday, we remembered the life and legacy of Dr. Martin Luther King, Jr. This morning, we invite You to enter the gates of our hearts. Lord, come into our lives and remove all false pride and disunity, replacing them with humility and harmony.

Reside with the Members of this legislative body. Create within them a hunger for holiness. May they dedicate their labors as a gift of love to You, consecrating even their thoughts for Your honor. Generate in their minds a spirit of expectancy that the best is yet to be. Increase their joy and peace as they experience the power of Your presence.

We pray in Your powerful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JAMES WEBB led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,

PRESIDENT PRO TEMPORE,

Washington, DC, January 16, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable JAMES WEBB, a Senator from the State of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,

President pro tempore.

Mr. WEBB thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, the Senate will begin a period of morning business until 1 p.m., with the first hour under the control of the Senator from Oregon, Mr. WYDEN, the second hour under the control of the Republicans, and the final hour equally divided and controlled between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each.

At 1 p.m., we will resume consideration of the ethics legislation. Cloture was filed on amendment No. 4, the so-called corporate jets amendment. Cloture was also filed on the substitute amendment and the bill. First-degree amendments need to be filed at the desk by 10:30 this morning, and any second-degree amendments should be filed by 4:30 p.m. today. There will be three votes starting at 5:30 today: the Durbin second-degree amendment regarding earmarks; the DeMint first-degree amendment regarding earmarks, as amended, if amended; and then the cloture vote on Reid amendment No. 4. Members should plan their schedules accordingly and remember that rollcall votes are 15 minutes, with a 5-minute grace period.

We are going to finish this legislation this week. If we finish it Thursday, we will be through Thursday. If the Republican leader agrees, we will finish it

Thursday; otherwise, we will push on until we finish this legislation. I hope we can do it Thursday or Friday, but if we have to be here over the weekend, we are going to do it. We are going to finish this legislation. If cloture is not invoked, we will make a decision at that time as to what we will do with the legislation. We have made a lot of progress. There are still a lot of amendments out there floating around, and we will have to see what the body wants to do with those. That will be determined tonight with the cloture votes.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

COMPLETING ACTION ON S. 1

Mr. McCONNELL. Mr. President, I say to my good friend, the majority leader, I share his view that we ought to wrap up this legislation this week. We intend to cooperate toward that end. There are some additional amendments over here on which we would hope we could get votes. But I, too, share the view that this legislation should be completed later this week. I will be talking with the majority leader about how to move toward that end.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Senate will proceed to a period of morning business until the hour of 1 p.m., with Senators permitted to speak therein for up to 10 minutes each and with the first hour under the control of the Senator from Oregon, Mr. WYDEN, the second hour under the control of the minority, and the final hour equally divided and controlled by the two leaders or their designees.

The Senator from Oregon.

HEALTH CARE

Mr. WYDEN. Mr. President, for almost 13 years, it has been considered politically dangerous to come to the floor of the Senate and describe a fresh approach to fixing health care in America. I am going to do that this morning because I do not believe it is morally right for the Senate to duck on health care any longer.

During the Senate's long absence, the skyrocketing costs of health care have hit American communities like a wrecking ball. PricewaterhouseCoopers estimates that health care premiums will rise 11 percent this year, several times the rate of inflation. In America, with the world's best doctors, nurses, hospitals, and other providers, many with health coverage believe they are just one more rate hike away from losing the coverage they have, and more than 40 million Americans have little or no coverage at all.

Just about all of us are baffled about how to purchase the health care that is best for us. In fact, it is easier to get information about the cost and quality of washing machines than it is to get information about health care that can mean life or death. I believe the combination of cost hikes, increases in chronic illness, our aging society, and the disadvantage American employers face in global markets, where their competitors spend little or nothing for health, means our current health system cannot be sustained.

Since health care has been poked and prodded for so many years, I believe it is time for diagnosis and treatment. As usual, it makes sense to start with a look at the financial bottom line. Go there, and it sure looks as if we Americans are spending enough money on medical care. Last year, according to the Center for Medicare and Medicaid Services, Americans spent \$2.2 trillion on health care. There are about 300 million of us. You divide 300 million into \$2.2 trillion, and it would be possible to send every man, woman, and child in America a check for more than \$7,000. Here is another way to look at it: For the money Americans spent on health care last year, we could have hired a group of skilled physicians, paid each one of them \$200,000 to care for seven families, and all Americans would have quality, affordable health care. Whenever I mention those figures to a physicians group, it takes about 30 seconds before a doctor stands up and says: Ron, where do I go to get my seven families?

My conclusion, after reviewing the numbers and expenditures for health care: America is spending enough money on medical services; it is just not spending the money in the right places.

While the Senate has taken a pass on fixing health care and redirecting misspent health dollars, several State leaders have stepped forward. In my view, Arnold Schwarzenegger and Mitt Romney deserve substantial credit just for trying to lead on health care. I will discuss in a minute why I do not agree with their decision to continue the link between health insurance and employment, but Governors Schwarzenegger and Romney deserve America's thanks for making it clear that they will not sit quietly by while Washington, DC, slow-walks health care.

As a member of the Senate Finance Committee, I intend to help State officials obtain the special waivers in Federal health programs they need to make Federal dollars in their States stretch further for health care. Having already stated that I believe enough money is being spent on medical services, I am especially interested in helping the States make better use of their existing funds. As a result of the new initiatives in California, Massachusetts, and other States, some in the Congress believe the next few years should be spent watching how the States fare in their efforts. Meaning well, these Congress people believe our role in the Congress should primarily be to ship more Federal money to the States for their reforms and then pretty much call it a day. Respectfully, I disagree. I believe there is no possible way the States can fix health care because the States did not create the major problems in American health care. Who did? The Federal Government, the big spender of health dollars in America, the architect of the policies now driving American health care toward implosion.

Here is how it happened. More than 60 years ago, with wage and price controls in effect, our employers found that they could get good workers by giving them health care benefits. Employer-based health coverage was born and generously greased by the adoption of Federal tax policies that make employer-based health coverage a deductible expense for employers and a tax-free benefit for workers. Soon most workers came to get their health coverage through their employer. It became the norm for talented workers to quickly ask prospective employers: Say, tell me about your health package.

Today, these Federal tax breaks total more than \$200 billion annually. The cost, however, involves more than dollars. These tax breaks go disproportionately to the wealthiest in America and subsidize inefficiency to boot. A high-flying CEO at a major corporation can write off the cost of Cadillac health coverage or even getting a designer smile for his face, while the folks at

the corner hardware store lack company health coverage and get nothing. With employer-sponsored health coverage, an individual worker is largely in the dark about whether they have been overcharged for health care, and the Tax Code allows for a writeoff for wasteful spending. These Federal tax policies that reward regressive practices and inefficient health spending are taking a large and growing toll.

For example, an increasing number of the uninsured work at small businesses, like the hardware store that fares so poorly under the Federal Tax Code. Because these small businesses cannot afford health care for their workers, these workers often ignore their illnesses until they can bear it no longer. Their next stop—the hospital emergency room, where the medical bills generated by the uninsured are often passed on to the insured and to taxpayers.

My next picture shows where we are headed with the employer-based health coverage. In an era where such cost shifting is widespread and some companies spend almost as much on health care as they make in profit, employer-based health coverage is melting away similar to this popsicle on the summer sidewalk in August.

If PricewaterhouseCoopers is right and health premiums rise another 11 percent this year, those with employer-based coverage will face another round of big copayments for their health care, more deductibles, and additional benefit reduction this year. Their choice is likely to be worse coverage or no coverage.

Recently, a woman in her fifties came to one of my town hall meetings in Oregon and said:

I just hope my employer can keep offering health benefits and I can hang in there until I get Medicare.

I believe this Senate ought to act when hard-working Americans go to bed at night worried about the prospect of losing their health coverage when they get up in the morning. Now, you could argue that 60 years ago employer-based health coverage made sense. That was before U.S. employers faced determined global competition, U.S. workers changed jobs seven or eight times by the age of 35, and American society became more mobile. It surely doesn't make sense today.

I believe you cannot fix American health care without changing our system of employer-based health coverage and the Federal tax breaks that lubricate it. I believe you cannot fix American health care without changing the incentives that drive our choices and our behavior. Not a State in the Union has the power to bring this about. We in the Senate do.

In a few days, after some additional consultation with colleagues, I will introduce legislation that offers a fresh and different approach to fixing health care in America. I call the legislation the Healthy Americans Act, and it is based on four judgments about health care I have made.